

These standard mortgage terms will be deemed to be included in every Mortgage which incorporates and refers to them by their filing number.

Alberta:		<u>181228074</u>
British Columbia:	- registration number as	<u>MT180021</u>
Manitoba:	- serial Number	<u>5006346/1</u>
New Brunswick	- registered as optional covenants and conditions no.	<u>NBC-3008</u>
Ontario:	- registered as standard charge terms no.	<u>201816</u>

These standard mortgage terms are attached as a schedule to the National Bank of Canada Mortgage in Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan.

If the Property (as defined below) is in Manitoba, the following set of Mortgage Terms shall be deemed to be included in and form part of every mortgage in which it is referred to by the above-mentioned Serial Number, as provided in Section 96(4) of *The Real Property Act* of Manitoba.

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1. What your mortgage secures

1.1 Grant of mortgage

If you are the owner of the Property, you grant, charge and mortgage your interest in the Property to us.

If you are a tenant of the Property, you grant, charge and sublease your interest in the Property to us for the term of the lease, except the last day, including any renewals and rights of first refusal to purchase.

Your interest in your Property is security for repayment of the Debt owing at any time and for performance of all your obligations under this Mortgage and any Agreement that is secured by this Mortgage.

1.2 What your Mortgage secures

a. **Existing and future Debts:** Your Mortgage is given to secure the repayment of all existing and future Debts. The Mortgage will continue to secure all of the Debt and other obligations secured by this Mortgage even if the following occurs:

- (i) we advance additional money secured by the Mortgage, readvance money that you have repaid or increase the amount of credit available to you;
- (ii) the outstanding Debt is reduced to zero and then increases; or
- (iii) the documents that evidence the Debt change or are replaced; for example, if some Agreement is replaced by another Agreement, even if the new Agreement given by you has additional persons or fewer persons promising to pay the amount owing.

Priority and interest: All amounts borrowed under an Agreement will be secured by the Mortgage, having the same priority (except as set out in sections 10.2 and 10.3), and will bear interest at the interest rate of the applicable Agreement in effect at that time. The interest rate you pay on any part of the Debt will be the rate stated in the applicable Agreement you sign that relates to that part of the Debt. Interest will be calculated as stated in the relevant Agreement.

We may, for any reason, decide not to extend credit to you under an Agreement. Nothing in this Mortgage requires us to extend credit to you.

- b. **Costs:** All Costs are secured by the Mortgage and bear interest from the date incurred at the interest rate in the applicable Agreement, or, if a rate is not specified in a particular Agreement, as set out on the mortgage form, and are payable on demand.

1.3 Who this mortgage binds

Each person who signs this Mortgage as a mortgagor is jointly and severally liable for the repayment of the Debt and the performance of the obligations. Even if other persons sign the Mortgage, each mortgagor and guarantor/covenantor is responsible for meeting all obligations under the Mortgage and paying the Debt.

If your spouse signs the mortgage form, your spouse consents to this Mortgage and releases all interest or any claim in the Property to the extent necessary to give effect to our rights and priority under this Mortgage. Your spouse may also release any claim or interest in the Property by providing us with affidavits and other documents as required under applicable law. A spouse includes a person having any equivalent spousal or common law interest in the Property under applicable law.

1.4 Other mortgages and security

- a. **Additional interest:** You grant, charge and mortgage to us any additional interest in the Property that you may acquire later.
- b. **Consolidation with other mortgages:** Except as set out in section 10.3, we may treat this Mortgage as one with any other mortgage you give us now or in the future. This means we can ask that the requirements of all such mortgages, including this Mortgage, be satisfied in full before we are obligated to give a discharge of any one mortgage in particular.
- c. **Additional security:** We may also take guarantees or securities from other persons or grant renewals, extensions and discharges relating to the Debt or the obligations secured by this Mortgage without impacting our rights and remedies under this Mortgage.

1.5 Discharge

- a. **Full discharge, assignment or transfer:** We will sign a mortgage discharge at your request once the Debt is paid in full. You can also ask us to give you an assignment or transfer of mortgage instead of a discharge. Subject to applicable law, you must pay our administration and processing fee for preparing, reviewing and signing such documents as well as legal and other expenses. Subject to applicable law, it is your responsibility to register the discharge or assignment on title to the Property and to pay the registration fee.
- b. **No release on sale:** Subject to applicable law, if you transfer, sell or otherwise convey the Property or any interest in the Property to another person, you must still pay the outstanding Debt and perform your obligations under this Mortgage and any Agreement secured by this Mortgage. Subject to applicable law, you remain responsible for repaying the Debt in full and performing all of your other obligations under this Mortgage and any Agreement secured by this Mortgage, unless we provide you with a written release.
- c. **Partial discharge:** We may release any part of the Property or other security whether or not we receive any money. If we receive money, we will apply it to the amount owed to us, subject to the provisions of sections 10.2 and 10.3.

If we release in part our interest in the Property, the remaining part will continue to secure repayment of the Debt and the performance of your obligations under the Mortgage and any Agreement secured by this Mortgage.

2. How to manage your property taxes

- 2.1 If you are responsible for paying your property taxes directly to the municipality, you must make sure that your taxes, and any other debt that could rank ahead of this Mortgage, are paid on time.
- 2.2 You must send us evidence that such payments have been made within 30 days of the date the payment is due.
- 2.3 If you fail to pay your property taxes, we may choose to pay your property taxes for you. This amount will be considered Costs and form part of the Debt.
- 2.4 You are responsible for making your own application for any government grants, assistance or rebates pertaining to taxes that might be available to you. We will not make any applications for you.

3. What are your promises and obligations

3.1 If you own the Property

- a. **You promise that you have the right to mortgage your interest in the Property.** You must take the steps necessary to make sure that our Mortgage remains valid and has priority over any other security registered against title to the Property, except as we may otherwise agree.

- b. **If there is a charge or encumbrance that ranks ahead of this Mortgage**, you must comply with its terms and conditions and pay amounts owed under it so there will not be a default under such charge or encumbrance that may lead to a sale of the Property.
- c. **No other charges or encumbrances can have priority over this Mortgage**. You must make sure that there are no liens or encumbrances over the Property, unless they are prior encumbrances that we agreed to in writing.

The Property may only be subject to those registrations that appear in the registry of deeds, land titles or land registration office for the Property at the time you signed this Mortgage, and to any unregistered charges and encumbrances that we agreed to in writing.

You have not granted and will not grant any other charges or encumbrances against the Property.

- d. **Claims against the Property**: You have no knowledge of any other claim against the Property.
- e. **Occupation of the Property**: You must occupy the Property and no part of the property may be rented or occupied by a tenant. You may not rent or enter into a lease for any part of the Property without obtaining our prior written approval.

3.2 If you lease the Property as Tenant

- a. **If you lease the property as a tenant**, you must immediately provide us with a copy of the lease as well as any notice relating to the lease. You must sign any document we require so that any greater interest you acquire in the Property will be charged by this Mortgage.
- b. **You promise that your lease is valid and you have good leasehold title**. You must comply with all your obligations under the lease, including paying the rent and other amounts that are due and payable. The lease is in good standing and you have the right to mortgage and charge the lease by way of sublease to us.

Your lease must remain in good standing and you must renew it or enter into a new lease for as long as any Debt is outstanding or any obligations are to be performed under this Mortgage or any Agreement secured by this Mortgage. You promise that before exercising any option you have to purchase the Property (and terminate the lease), you will notify us and you will provide us with mortgage security in the interest you acquire, substantially on the same terms as this Mortgage and with the same priority held by this Mortgage against the leasehold.

You will not modify, surrender, assign or terminate the lease unless we agree to it in writing. You must also immediately advise us if your landlord notifies you of its intention to terminate the lease prior to its expiry.

- c. **On the last day of the term** at our request, you must transfer the lease (or renewal) to us at your expense.
- d. **You promise that there are no other liens or limitations on your interest in the lease** and the Property is subject only to the liens and limitations identified in the lease, registered against title to the Property or contained in building and zoning by-laws.
- e. **We may perform** any of your obligations under the lease. Any amounts paid by us pursuant to the lease will be added to the principal amount of and will form part of the Debt.

3.3 If you lease the Property to others

- a. **You must obtain our prior written consent for any rental of the Property or renewal of the Lease**. You may receive the rents as long as you are not in default. If we collect the rents, we are entitled to receive a reasonable commission, which may be deducted from amounts collected. We are not responsible for collecting rent or complying with the terms of any lease or agreement.

You must lease the Property for fair market value and cannot accept payment in advance of more than one month's rent.

- b. **You must provide us with information upon request and keep your records**. You must give us a copy of any rental agreement or lease of the Property, and all amendments, replacements and restatements, and, upon request, provide us with all information related to the rent and any tenants. You must keep records of all rents received and all expenses paid by you in connection with the Property. At least annually, you must have a statement of revenue and expenses prepared for the Property by a chartered accountant and provide a copy to us.

Nothing we do under this section will be considered as us taking possession of the Property, and we are not obliged to collect any rent or income from the Property or comply with any terms of any rental agreement, lease or other agreement.

- c. **Assignment**: You transfer and assign to us as additional and separate security for the Debt:
 - all leases, sub-leases, offers to lease and their renewals whether in writing or not
 - all rents and other money payable under the terms of such leases, sub-leases, offers to lease and agreements that affect your Property and
 - all your rights under such leases, sub-leases, offers to lease and agreements

3.4 Insurance

- a. **Amount of insurance coverage**: you must make sure that the Property remains insured for not less than its full replacement value until the Debt is repaid in full.
- b. **What your insurance must cover**:
 - coverage for loss or damage by fire with extended perils coverage and

- risk of loss from damage or destruction of the Property resulting in the interruption or loss of revenue or rental income from the Property.
- c. **Additional coverage:** if we request it, you agree to obtain coverage for additional perils, risks or events. If a boiler or any other similar equipment is operated on the Property, then you must also have insurance coverage for loss or damage caused to or by the equipment as well as due to the explosion of the equipment.
 - d. **What insurance documents to send us and when:** upon execution of this Mortgage you must provide us with a copy of all insurance policies for the Property and any renewal policies 15 days prior to their expiry.
 - e. **Choice of insurer:** All insurance policies must be underwritten by an insurance company authorized by us.

The insurance policy must confirm that we will be the first to receive any proceeds paid in connection with a loss and to have a lien on such insurance proceeds. The policy must contain the standard mortgage clause approved by the *Insurance Bureau of Canada*.

Your insurance policy must also provide that the insurer will promptly advise us of:

 - any cancellation or proposed cancellation of your policy by the insurer for any reason
 - any refusal by the insurer to renew a policy for any reason and
 - any material change in the risk insured by the insurer
 - f. **You must immediately notify us of any loss or damage that occurs.** You must also do everything necessary to enable us to obtain payment of the insurance proceeds payable to us under the Mortgage.
 - g. **If such loss or damages occurs,** except as set out in sections 10.2 and 10.3, we may allow you to use the insurance proceeds to repair or rebuild the Property or we may decide to apply the insurance proceeds to reduce the Debt.

3.5 Repair and maintenance of the Property

- a. **You must keep your property in good condition and in a state of good repair.** You must carry out all necessary repairs and you must not alter or demolish any building or part of a building forming part of the Property.
- b. **Constructions, alterations, additions or improvements may be made with our prior written consent,** provided you respect accepted construction standards, building codes, municipal or other government requirements and plans and specifications approved by us and the insurer, if this Mortgage is insured.
- c. **You must make sure your Property keeps its value.** You must not do anything or let anyone else do anything that could lower the value of the Property. You must inform us of any fact or event which could negatively impact the value of the Property.
- d. **You must comply with the law,** which includes every present and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of your Property.
- e. **We may inspect the Property and request you make repairs:** we, or a Loan Insurer or Program Administrator, may enter onto the Property and inspect it at any reasonable time. If necessary, we may request that you repair the Property at your own cost. If you do not carry out the necessary repairs, we may do them for you. Any costs we incur in repairing the Property will be added to the Debt. However, we are not under any obligation to make any such repairs to the Property.

3.6 No environmental issues with the Property

- a. **No hazardous (dangerous) or illegal substances on the Property:** You confirm that the Property does not contain, has never contained or will not in the future contain any of such substances. You promise that the Property, and any land next to it which you own or occupy, will not be used to manufacture, store, dispose or otherwise deal with any such substances, except in a manner that the law permits.
- b. **If you find any hazardous or illegal substances,** you must immediately carry out all work that is necessary to remove it from the Property and repair the damage it has caused to our satisfaction. You must provide us with evidence that the work has been performed.
- c. **If there is a claim or lawsuit because of hazardous and illegal substances,** you must protect and indemnify us against all actions, claims, lawsuits, costs or other demands relating to such substances.
- d. **No underground or aboveground storage tanks:** You are not aware of any underground or aboveground storage tanks on the Property, unless permitted by law.
- e. **No material breach of any environmental law:** You are not aware of any environmental condition affecting the Property which would constitute such a breach.

3.7 Inspection, testing and investigation

From time to time, we, a Loan Insurer or a Program Administrator, may:

- inspect or have the Property appraised, including any buildings or improvements which form part of it and
- conduct any environmental testing, site assessment, investigation or study that we consider necessary.

The reasonable Costs associated with such activities will be immediately due and payable by you and will form part of the Debt. No such inspections, investigations or testing by us, a Loan Insurer or a Program Administrator will result in us being considered to be a mortgagee in possession of the Property.

3.8 Expropriation

- a. **If your entire Property is expropriated:** The Debt and all amounts owing to us, including applicable prepayment charges, will immediately become due and payable.
- b. **If Only a part of your Property is expropriated:** You must pay us the amount you were awarded for the partial expropriation. It will be applied to the outstanding balance of your Debt and applicable prepayment charges.

The outstanding balance of the Debt and all amounts due, including prepayment charges, become immediately due and payable if we deem that the rest of the Property does not provide us with adequate security.

3.9 Sale of the Property

You cannot sell or otherwise dispose of the Property without our prior written consent. If you sell or transfer the Property without our consent, the Debt and any other money owing to us will immediately become due and payable in full with prepayment charges.

Should we accept any payment from another person that we have not first approved for the assumption of the Mortgage, this does not mean we have granted our consent.

3.10 Changes to your financial situation

You must inform us of any change in your financial situation or of any event which could negatively impact your financial situation.

4. When we can enforce our rights

We may enforce our rights if one of the following defaults occurs:

4.1 Failure to perform your obligations

- a. You fail to make a payment or to perform obligations under the terms of any Agreement, this Mortgage or any other charge or encumbrance affecting the Property.
- b. A representation given by you or the guarantor in connection with the Debt or any Agreement or any other obligation is or becomes untrue or misleading.
- c. You or any other person breach a promise made to us under this Mortgage.
- d. An event occurs which is stated to be a default under this Mortgage.

4.2 Issues with the Property

- a. The Property is abandoned or is left unoccupied for 30 or more consecutive days.
- b. The Property or any part of it is expropriated or condemned.
- c. Improvements to the Property remain unfinished and no work has been done for a period of 15 consecutive days.
- d. The Property is subject to foreclosure proceedings, judicial sale, power of sale, or is otherwise seized.

4.3 Insolvency

- a. You become insolvent or bankrupt.
- b. You are subject to insolvency or an arrangement or similar proceedings affecting the rights of any creditor.

4.4 Absence of consent

- a. You sell or agree to sell the Property (or any part of it) or you lease any part of it without our prior written consent.
- b. You give another mortgage on the Property without our prior written consent.
- c. Any type of lien (ex. mechanic, builder or construction lien), judgment or other encumbrance is registered against the Property.

4.5 Additional default events if the Property is or becomes a Strata/Condominium: see section 7.6

5. What happens if you are in default

5.1 Our rights

We may, in our sole discretion, determine whether a default has occurred. If so, we may, to the extent permitted by law:

- a. **Demand payment of the Debt**, which becomes immediately due and payable
- b. **Demand performance of all obligations**, which become due immediately.

c. **Begin court or other proceedings:**

- take proceedings in court and any other legal steps to enforce the provisions of the Mortgage and any Agreement secured by the Mortgage
- apply to a court or other authority to have the Property sold on terms approved by the court
- apply to a court or other authority to foreclose your interest in the Property so that when the court makes its final order of foreclosure, it will belong to us, or
- apply to a court to have a receiver, manager or similar officer of the court appointed with respect to the Property.

d. **Sell, lease and take possession of the Property**

- **sell the Property** and any other property you mortgaged in our favour by public auction or private sale on our terms, including selling the Property for cash or credit or any combination of the two:
 - with 35 days' notice : if the default has continued for 15 days or more, if required by law, or
 - without notice : if the default has continued for 60 days or more to the extent permitted by law, or
 - on such other times, upon such other notice and in such other manner as required by applicable law.
- **lease the Property** on terms decided by us:
 - with 15 days' notice : if the default has continued for 15 days or more, if required by law or
 - without notice: if the default has continued for 30 days or more to the extent permitted by law, or
 - on such other times and upon such other notice as required by applicable law.
- **Subject to applicable law, take possession of the Property** without permission and make arrangements necessary to:
 - inspect, lease, collect rents or manage the Property or
 - complete the construction of a building on the Property or repair a building on the Property and take whatever action is necessary to recover and keep possession of the Property. Any funds expended by us to complete or repair or to recover and keep possession of the Property will be added to the Debt.

5.2 Application of proceeds

Except as provided in sections 10.2 and 10.3, any repayment of the Debt from money or other proceeds realized from the sale of the Property and any other securities we hold in respect of the Debt may, at our discretion, be applied or be held in a separate collateral account. You must pay us the remaining balance, on demand, if the proceeds available from the realization of the Property and sale of securities are insufficient to repay the Debt.

5.3 Our rights after judgment

The remedies described above may continue to be used by us after any judgment or other realization of our security to enforce the terms of the Mortgage and any Agreement secured by the Mortgage. We will be entitled to continue to receive interest on the Debt in accordance with the terms of each applicable Agreement and this Mortgage until the judgment is paid in full.

5.4 No Waiver of Rights

Even if we do not exercise our rights following a default or if we do not ask you to cure the default, we reserve the right to do so at any time.

5.5 We may fulfill your obligations

We may, but are not required to do so, fulfill your obligations under an Agreement or this Mortgage or spend money to perform any such obligations. Any amount advanced by us will become immediately due and payable and will be added to the Debt with interest at the applicable interest rate. If the balance is added to the Debt, and it exceeds the maximum principal or face amount of the Mortgage, the Mortgage will nevertheless secure such increase in the Debt to the maximum extent permitted by applicable law. Nothing done by us, a Loan Insurer or a Program Administrator, will make us a mortgagee in possession or should be considered as giving us control or management of the Property.

5.6 If we take possession of the Property

We are not responsible for maintaining or preserving the Property, including maintaining the use for which the Property was intended. We will inform you if we receive money in connection with your Property while we have possession of it.

6. When a receiver or a receiver and manager is appointed and his powers

6.1 Appointment upon default

If you are in default, we may appoint, remove or replace a receiver or a receiver and manager either on our behalf or on your behalf as your agent or attorney. To do so, we are not required to take possession of the Property or any part of it. The expression "receiver" refers to a receiver or a receiver and manager, as applicable.

6.2 Powers of the receiver

Subject to applicable laws, the receiver has all of the powers of the mortgagee under the Mortgage and:

- a. is deemed to be your irrevocable agent or attorney and to have all your rights. You will be solely responsible for the receiver's acts or omissions
- b. has the power, in your name or in our name, to demand, recover and receive income from the Property and begin court proceedings to collect income
- c. may lease or sublease any part of the Property on terms and conditions that the receiver chooses
- d. may complete the construction, repair or improvement on the Property, take possession of any part of the Property, manage the Property and maintain it in good condition
- e. has the power to perform, in whole or in part, your duties under the terms of the Agreement and this Mortgage, and
- f. has the power to do anything that, in the receiver's opinion, will maintain and preserve the Property, its value or income potential.

6.3 Use by receiver of income received from Property

Except as provided in sections 10.2 and 10.3, the receiver may in any order it chooses:

- a. keep enough money to pay or recover the cost to collect the income and other expenses
- b. keep its commission, fees and disbursements as receiver
- c. pay all taxes and costs to maintain the Property in good repair, complete the construction of any building or improvement on the Property, supply goods, utilities and services and take steps to preserve the Property from damage by weather, vandalism or any other cause
- d. pay for what is required to be paid by the receiver under applicable laws or for expenses that, if not paid, would result in a default under a charge having priority over this Mortgage or in the sale of the Property
- e. pay taxes in connection with anything the receiver has the right to do under this Mortgage
- f. pay us interest that is due and payable, as well as, all or part of the Debt whether or not it is due and payable and
- g. pay any other amount owed to us by you under this Mortgage as well as insurance premiums.

6.4 Receiver may borrow

The receiver may borrow money for the purpose of doing anything the receiver is authorized to do. You are responsible for repaying any money borrowed by the receiver plus interest at the applicable interest rate and the cost of borrowing. Such amounts will form part of the Debt secured by this Mortgage.

6.5 Receiver's costs and expenses

The fees and disbursements of the receiver, if paid by us, will form part of the Debt with interest at the applicable interest rate in accordance with this Mortgage.

6.6 Waiver and liability

Nothing done by the receiver under this section will make us a mortgagee in possession. You release and discharge us and the receiver from any claim in damages which may arise or be caused by you or any other person acting on our behalf or on behalf of a receiver under this section. You confirm all actions taken by the receiver pursuant to this section. You agree that both of us and the receiver are not liable for any loss sustained by you or any other person resulting from any such action or failure to act.

7. If the Property is or becomes a Strata/ Condominium

7.1 Your obligations

You must perform your obligations as a strata/condominium owner under applicable laws, the declaration, bylaws, rules and the regulations of the strata/condominium corporation. In particular, you must pay all money you owe to the strata/condominium corporation on a timely basis. If you fail to do so, we may at our sole discretion and without notice:

- a. pay such expenses and add the amount to the Debt, including interest at the applicable interest under this Agreement, and
- b. deem such default to be a default under this Mortgage.

7.2 Documents and notices

You must provide us with strata/condominium documents and notices upon request, including all notices, financial statements and other documents provided to you by the strata/condominium corporation, including all communications claiming monies or alleging your breach of any obligations you owe to the corporation.

7.3 The Property must be insured

You must make sure that the strata/condominium corporation insures the Property and the common property (or common elements) in accordance with the declaration, the by-laws and applicable laws.

7.4 We may exercise your voting rights as owner

We may do so by providing a notice to the strata/condominium corporation. However, we are not required to attend meetings of the strata/condominium corporation or to exercise such rights whether or not notice is given. You irrevocably assign all voting and consenting rights to us. However, until we give written notice of such assignment of voting rights contained in this Mortgage to the strata/condominium corporation, you may exercise the voting rights.

7.5 We may act on your behalf as your agent

You appoint us to be your agent to inspect or obtain copies of any documents of the strata/condominium corporation that you are entitled to inspect or obtain, including the amount of assessments or payments you owe to the strata/condominium corporation. We may make inquiries as to the status of your common expense contributions.

7.6 Additional defaults specific to Strata/Condominium

At our option, the Debt and all other amounts owing to us will immediately become due and payable if:

- a. governance of the property of the strata/condominium corporation is terminated or wound up as described in the applicable laws or constituting documents
- b. a vote of the strata/condominium owners authorizes the sale of the property of the strata/condominium corporation or of a part of its common property (or common elements)
- c. the strata/condominium corporation fails to comply with applicable laws or its constituting documents
- d. the strata/condominium corporation fails to insure the strata/condominium units and common property (or common elements) against destruction or damage by fire and other perils usually insured against for full replacement cost
- e. the strata/condominium corporation fails, in our opinion, to manage its property and assets in a careful way or to maintain its assets in good repair
- f. the strata/condominium corporation transfers, charges or adds to the common property (or common elements) or amends its constituting documents without our consent and we are of the opinion that the value of the Property is reduced.

7.7 What happens if you are in default

In addition to our rights under sections 5 and 7, we may enforce our remedies for arrears of any assessments, instalments or payments due to us or arising under this provision. We may exercise this right regardless of any other right or action of the strata/condominium corporation or that we may have.

7.8 We may pay certain assessments

Although not obligated, we may require you to pay to us certain common element assessments and reserve fund contributions (and any other amount that may form a lien on the Property by a condominium corporation) in monthly installments that we will establish so that we can ensure that such payments are made to the condominium corporation when due.

8. Specific Provincial Requirements

8.1 Property located in Alberta

- a. **Expropriation Act:** You acknowledge that you have been fully informed as to the meaning of sections 49 and 52 of the *Expropriation Act* and you waive your rights under these sections as amended and replaced from time to time.
- b. **Waiver of insurance laws:** You irrevocably waive your rights under any law which may require that the proceeds of insurance be used by you or the insurer to restore or rebuild the Property, including the *Fires Prevention (Metropolis) Act* and the *Insurance Act*.
- c. **Revolving Line of Credit:** For the purposes of Section 104(2) of the *Land Titles Act*, you agree that this Mortgage may be held by us as security for a revolving line of credit up to a specific principal sum equal to the sum identified in this Mortgage as being the principal amount lent to or to be lent to you.
- d. **Covenants under the *Land Titles Act*:**
 - (i) You have good title to the Property;
 - (ii) You have the right to mortgage the Property;
 - (iii) On default, we will have quiet possession of the Property free from all encumbrances except as noted on the Certificate of Title for the Property as of the date of the mortgage form or otherwise consented to by us in writing;
 - (iv) You will execute such further assurances of the Property as required by us; and
 - (v) You have done no act to encumber the Property except as noted in the Certificate of Title for the Property as of the date of the mortgage form.

8.2 Property located in British Columbia

- a. **The right to consolidation under section 1.4** will apply to this Mortgage and to any other mortgage given by you to us regardless of section 31 of the *Property Law Act*, as amended or replaced from time to time.
- b. **Section 15 of Schedule 6 of the *Land Transfer Form Act***, as amended or replaced from time to time, is expressly excluded from this Mortgage.
- c. **Waiver of insurance laws:** You irrevocably waive your rights under any law which may require that the proceeds of insurance be used by you or the insurer to restore or rebuild the Property, including the *Insurance Act* and the *Fire Prevention (Metropolis) Act*.

8.3 Property located in Manitoba

- a. If the Property is a condominium, you must cause the condominium corporation to confirm in writing to us that it has recorded its acknowledgment of the existence of our Mortgage on your unit together with an acknowledgment of our address for provision of notices, which address we are entitled to change from time to time by notice from us to the condominium corporation.
- b. You irrevocably waive your rights under any law which may require that the proceeds of insurance be used by you or the insurer to restore or rebuild the Property, including under *The Insurance Act* and *The Condominium Act*, if applicable.

8.4 Property located in Prince Edward Island

This Mortgage is made pursuant to the enactments respecting Short Forms of Indentures and contains the following provision: “12. Provided that the mortgagee on default of payment may enter on or lease or sell the lands [herein the “Property”], but no power of sale to be exercised till after 4 weeks’ notice.”

8.5 Property located in Saskatchewan

- a. **The Land Titles Act:** This Mortgage is made under and in the pursuance of *The Land Titles Act, 2000*.
- b. **Statutory Covenants:** To the extent they do not conflict with this Mortgage, the following short form covenants referred to in Section 130(1) of *The Land Titles Act, 2000* are included in this Mortgage, and you covenant that you (or the Property, as applicable):
 - a. Have a good title to the land;
 - b. Have the right to mortgage the land;
 - c. And that on default, the mortgagee shall have quiet possession of the land;
 - d. Free from all encumbrances;
 - e. Will execute further assurance of the land as may be requisite; and
 - f. Have not done any act to encumber the land.

9. General

9.1 Rights and responsibility

We may exercise the rights and remedies in this Mortgage, each Agreement or available under applicable laws, concurrently, cumulatively, and independently in any order and at such times as we see fit. We may delegate the exercise of our rights or the performance of our obligations to another person in which case, we will provide this person with information on you and the Property. We are only liable to you for our intentional fault or gross negligence.

9.2 Power of attorney

With full power of substitution, you grant us an irrevocable power of attorney with the power to perform any action required to allow us to fully exercise the rights granted under this Mortgage or any Agreement. You approve in advance all our actions under this power of attorney and confirm that we are not liable for any loss suffered by you or any other person resulting from our action or failure to act. If required by us, you will provide us with an additional power of attorney, which is in compliance with applicable law and all formal requirements under the land titles registration system of the jurisdiction in which the Property is located.

9.3 Modification to the Mortgage

Any agreement to make material changes to this Mortgage will apply to those who agree to the changes in writing as well as any other person including any spouse who signed the mortgage form. You will also obtain, at your cost, all consents required by applicable law in order to validate and permit the registration of any agreement amending this Mortgage.

9.4 Governing Law

This Mortgage is subject to the laws of the province where the Property is located and the laws of Canada.

9.5 Interpretation

In this Mortgage the singular includes the plural and vice versa. Headings in the Mortgage do not form part of this Mortgage but are used only for easy reference. If there is a conflict between any provision of this Mortgage

and an Agreement, the relevant provision in the Agreement will prevail to the extent of the conflict. If any part of this Mortgage is not enforceable or invalid, all other parts of this Mortgage will remain in full effect and be enforceable against you and any spouse who is signing the mortgage form.

9.6 Sending Notices

To us: any notice that you send us must be in writing and sent by registered mail to our address. Our address is shown on the mortgage form or you can use the most recent address provided to you in a written notice.

To you: any notice that we send you must be delivered to you personally or by mail at your mailing address. We will use the mailing address indicated on the mortgage form or a recent notice provided to us under these mortgage terms.

Delay: any notice sent by mail is considered to have been received 5 days after the day on which it was mailed.

Mail strike or disruption: notices must be delivered personally rather than sent by mail.

10. Insured Debts

10.1 *National Housing Act*

If Insured Debt is insured under a Loan Insurance Policy by CMHC, as Loan Insurer, then the Mortgage is made pursuant to the *National Housing Act* of Canada.

At our option, we may obtain a Loan Insurance Policy for your Debt or include any Insured Debt in a CMHC Program without restriction, your consent or notice to you or any guarantor or any other person.

10.2 Insured Debt

Subject to the provisions of section 10.3, if and for so long as there is an Insured Debt secured by the Mortgage, then, the Insured Debt will be separate and distinct from any other Debt that may be secured by the Mortgage. Regardless of other provisions of the Mortgage and any Agreement, upon default occurring, the Insured Debt will have priority over any other Debt as to payment, collection, enforcement and realization.

10.3 Securitized Programs Administered by CMHC

Regardless of other provisions of the Mortgage and any Agreement, if an Insured Debt is included in a CMHC Program, we will not, as against the Loan Insurer or the Program Administrator:

- a. exercise the security of the Mortgage for the benefit of any Debt except for the Insured Debt (without releasing the security of the Mortgage against any persons, including you); and
- b. exercise any available rights of consolidation, cross-collateralization or cross default that may exist in our favour with regard to any Debt.

11. Definitions

Agreement refers to an agreement by which we agree to lend money to you.

In order to be secured by this Mortgage, the Agreement must provide that you have agreed in writing that the obligations under it are to be secured by this Mortgage.

CMHC means Canada Mortgage and Housing Corporation, and its successors.

CMHC Program means a national program for pooling and securitizing housing loans, under which CMHC is Program Administrator.

Costs refers to all costs we incur for:

- preparing, registering and enforcing any Agreement or this Mortgage
- extending credit to you or qualifying you for such a purpose
- protective expenses or just allowances paid by us that may be added to the Debt or that are otherwise secured by this Mortgage
- taking and keeping possession of the Property and the cost of the time and services
- any receiver or other person appointed with similar powers, under this Mortgage or otherwise, and such person's costs in regard to the Property
- obtaining assessments of the condition of the Property, such as environmental assessments
- performing our obligations under the Mortgage, any Agreement or applicable laws, including our administration and processing fees
- our legal fees and expenses or those of a receiver, on a full solicitor-client or substantial (i.e. full) indemnity basis
- any other costs incurred by us to protect our interest in the Mortgage.

Debt refers to:

- money we agree to lend to you under an Agreement, from time to time, as well as interest
- Costs, whether incurred under an Agreement or under this Mortgage.

Each Debt under an Agreement is a separate and distinct Debt, including the replacement, refinancing or re-advancing of Debt.

Insured Debt refers to Debt that is insured as to repayment under a Loan Insurance Policy.

Loan Insurance Policy means a policy of insurance issued by a Loan Insurer, pursuant to which we are insured by the Loan Insurer against default.

Loan Insurer means, in respect of any Debt, the insurer under a Loan Insurance Policy, which may be CMHC or another loan insurer.

Mortgage refers to:

- the mortgage form required by law and any schedules and affidavit attached to it, that is or will be registered against the title of your property
- this set of standard mortgage terms together with any statutory and optional covenants and conditions **stated in the mortgage form, when applicable.**

Program Administrator means CMHC, acting in the capacity as administrator and trustee of, and guarantor of timely payment of securities issued under, any CMHC Program.

Property refers to the lands or the specified parcel described in the mortgage form, including all buildings, structures, improvements, fixtures and rents.

END OF SET